

FISCAL IMPACT STATEMENT ON BILL NO. **H.3327 As Amended**

(Doc. No. 22970HTC05)

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| TO: | The Honorable Harry F. Cato, Chairman, House Labor, Commerce and Industry Committee | | |
| FROM: | Office of State Budget, Budget and Control Board | | |
| ANALYSTS: | Kate Billing | | |
| DATE: | March 1, 2005 | SBD: | 2005266 |

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| AUTHOR: | Representative Cato | PRIMARY CODE CITE: | 41-35-120 |
| SUBJECT: | Employment Security Benefits- Drug Testing and Domestic Abuse | | |

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

BILL SUMMARY:

This Bill relates to disqualification of benefits of an insured worker under employment security law so that a worker would become ineligible for benefits in the event that he refuses to take a drug test or tests positive during a drug test for certain substances. The Bill would also allow unemployment benefits for individuals unemployed as a direct result of domestic abuse.

EXPLANATION OF IMPACT:

The Employment Security Commission indicates that no fiscal impact would result from the passage of the proposed legislation pertaining to unemployment benefits for an individual who refuses to take a drug test or tests positive during a drug test for certain substances.

This Bill states that individuals must receive unemployment benefits when unemployed as a direct result of domestic abuse, and specifies that benefits paid in connection with domestic abuse must not be charged to the account of an individual employer. However, State agencies, as well as most other governmental entities, are reimbursable accounts. As such, they are covered by a federal law that requires they reimburse the Unemployment Trust Fund for any draws made by employees of their organization. Therefore, state and local governments would have to bear the cost of unemployment benefits of a person unemployed as a result of domestic abuse.

The number of individuals receiving unemployment benefits as a result of domestic abuse is difficult to determine. The Employment Security Commission estimates that at most, 10 individuals in the State received unemployment benefits as a result of domestic abuse last year. No more than two of these are expected to be state employees. The maximum amount of unemployment benefits an individual can receive is \$7,592. Therefore, the maximum fiscal impact this Bill is estimated to be \$15,184 for all sources of funds (State, Federal and other). Based on this methodology, the Employment Security Commission estimates the impact as minimal and that it could be absorbed.

LOCAL GOVERNMENT IMPACT:

See response above.

Approved by:



Don Addy
Assistant Director, Office of State Budget